



NEWS RELEASE

PRESS OFFICE

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SBA APPROVES SEVEN NEW VENTURE CAPITAL COMPANIES TO INVEST IN NEW MARKETS AREAS

WASHINGTON – Seven new venture capital companies have been conditionally selected to participate in a new venture capital program designed to bring investment capital to economically distressed urban and rural areas in 15 states across the country.

The U.S. Small Business Administration notified the firms this week of their selection. The new program will provide access to venture capital and technical assistance for small businesses in low income areas in 15 states. For final approval, the companies must raise between \$5 million and \$12.5 million in private capital for investments and between \$1.5 million and \$3.75 million in matching resources to be used to provide operational assistance to the smaller businesses in which they invest.

The new targeted investment companies were selected based on their qualifications and their coverage of low-income urban and rural areas in the states they will serve.

“These companies will help us deliver the benefits of venture capital to entrepreneurs in low-income areas that have been left behind during the economic expansion of the past decade,” said Harry Haskins, acting associate administrator of the SBA’s Investment Division. **“Spreading the impact of these new investment companies across 15 states will help us to assess whether this approach can help spur development, job creation and economic growth.”**

The new companies, their locations and the states they will target for their investments are:

- Adena Ventures, L.P.; Athens, Ohio; Ohio, West Virginia, Maryland and Kentucky.
- CEI Community Ventures Fund, LLC; Wiscasset, Maine; Maine, New Hampshire and Vermont.
- Dingman Center for Entrepreneurship; College Park, Md.; Maryland and the District of Columbia.
- Murex Investments I, L.P.; Philadelphia, Penn.; Pennsylvania, New Jersey and Delaware.
- Pennsylvania Rural Opportunities Fund; University Park, Penn.; Pennsylvania.
- Southwest Development Fund, LLC; Phoenix, Ariz.; Arizona.
- The Southern Appalachian Fund, L.P.; Oak Ridge, Tenn.; Tennessee, Kentucky, Alabama and Georgia.

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The criteria for the New Market Venture Capital companies require that at least 80 percent of the total dollars invested by the companies must be invested in small businesses in low-income areas in their targeted states. Also, at least 80 percent of the businesses in which the NMVC company makes investments must have their principal office located in a low-income area.

Congress authorized the New Markets Venture Capital program for the 6-year period from FY 2001 through 2006. The program provides for \$150 million in debenture funding and \$30 million in technical assistance grant funds. It was fully funded through a one-time appropriation in FY 2001.

The NMVC program, which is administered by the SBA, is modeled after the agency's Small Business Investment Company program. The SBA will provide financial assistance in the form of matching investment funds and matching operational assistance funds.

The New Markets Venture Capital companies will be newly formed for-profit investment funds with private management. They will invest with the objective of promoting economic development in low-income areas and among low-income individuals by making equity-type investments in and providing technical assistance to smaller enterprises located in those low-income areas.

For more information about this program, visit SBA's website at <http://www.sba.gov/inv>, or call the Investment Division at 202/205-6510.

For information about other SBA programs for small businesses, call the SBA Answer Desk at 1-800-U-ASK-SBA, or visit the SBA's extensive Web site at www.sba.gov.

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